

0089

1 used to make estimates of expenses?

2 A. I believe so.

3 Q. I think you said earlier that -- at one point,

4 and I am thinking if it was relating to Exhibit 15 in

5 November, that at that time, you had seen forecasts from

6 only one CLC, that was AT&T, correct?

7 A. Correct.

8 Q. And we previously have gone through some of the

9 forecasts that AT&T has been providing to Pacific at

10 around that time, correct?

11 A. Correct.

12 Q. Subsequent to that late October, early November

13 time frame, did you receive forecasts from any other

14 CLC's?

15 A. No, I haven't seen any.

16 Q. Have you seen any forecasts, even from AT&T,

17 after the beginning of 1997?

18 A. No, I have not.

19 Q. So apparently, you saw the AT&T forecasts

20 throughout '96, those were the only CLC forecasts you saw?

21 A. Correct.

22 Q. And beginning in '97, you haven't seen any CLC

23 forecasts?

24 A. No.

25 Q. Did your job functions change in any way in the

0090

1 beginning of 1997?

2 A. Expanded.

3 Q. When you say expanded, do you mean you were
4 promoted or you just have more work to do?

5 A. Both.

6 Q. That's better than me, I only got half of that.

7 So that you, I take it, beginning in '97, have
8 more people reporting to you?

9 A. Yes.

10 Q. I am going to ask you if it's possible that if
11 an AT&T forecast was indeed furnished to Pacific in '97,
12 is it possible to have gone to somebody who works for you
13 and you wouldn't see it?

14 A. I don't believe it would, if it had gone to one
15 of the people in my group -- it might not just have gotten
16 to my group.

17 Q. You wouldn't know -- assume for a moment that
18 the documents that I showed you in '97, with the AT&T
19 forecasts, really were sent and received by Janette Corby,
20 assume that as a hypothetical question. Assume she
21 received it. Can you think of any reason why she and her
22 group would stop sending them to you?

23 MR. KOLTO-WININGER: Do you know of any reason?

24 THE WITNESS: I --

25 MR. KOLTO-WININGER: Don't speculate as to
0091
1 reasons, but if you know of any reason.

2 THE WITNESS: I don't know why I wouldn't. It
3 is possible that they deleted me somehow from their
4 distribution list, or if they had a distribution list, I
5 don't even know that.

6 MR. ETTINGER: Q. As we were going through
7 those letters, you did see, or at least looked quickly, at
8 the forecasts contained therein?

9 A. Yes.

10 Q. Was that information useful to you?

11 A. Yes.

12 MR. ETTINGER: Let's go off the record.

13 (Discussion off the record.)

14 MR. ETTINGER: Q. The last forecast that you
15 produced was November 6th, 1996?

16 A. Uhm-hum.

17 Q. And you didn't produce another one until March
18 of '97, I believe you said, correct?

19 A. February, March, yes.

20 Q. I am asking you, if you had seen the AT&T
21 letters of January and February that you said previously
22 you hadn't seen --

23 A. No.

24 Q. I haven't finished my question yet.

25 A. Oh, sorry.

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1 Q. I will start again. If you had -- I am asking
2 you a hypothetical question now. If you had seen those
3 letters during the period of January and February, might
4 it have caused you to make a revision prior to March?

5 MR. KOLTO-WININGER: I will object that it calls
6 for speculation as phrased, but go ahead and answer it.

7 THE WITNESS: Maybe.

8 MR. ETTINGER: Q. It goes to the relevance
9 of --

10 Certainly, as a forecaster, the more information
11 you have, the better your forecasts are likely to be; is
12 that correct?

13 A. Correct.

14 Q. Have you done any tracking between AT&T's
15 forecasts and actual orders received from AT&T?

16 A. Not for the volumes. I don't look at order
17 volumes.

18 Q. Are you in a position to judge that the AT&T
19 forecasts, at least the ones that you did see, were
20 accurate or not?

21 A. I look at in-service lines or in-service
22 volumes, so yes.

23 Q. You have judged the accuracy?

24 A. No, I have not judged.

25 Q. You said yes, you did look at in-service
0093
1 volumes?

2 A. For AT&T, yes.

3 Q. And you compared the in-service volumes with
4 AT&T forecasts of in-service volumes?

5 A. No, I did not.

6 Q. Okay. Did you have an opinion about the
7 accuracy of the AT&T forecasts that you did see?

8 A. The forecasts that I did see?

9 MR. KOLTO-WININGER: Prior to today.

10 THE WITNESS: Prior?

11 MR. ETTINGER: Q. Prior to today, yes.

12 A. The ones produced in 1996, compared to the
13 actuals, were overforecasted.

14 Q. Do you know the reason for that?

15 A. No, I don't.

16 Q. You don't know whether the overforecasting was
17 as a result of AT&T's lack of marketing ability, or
18 inability of Pacific Bell's LISC to handle orders in a
19 timely way?

20 MR. KOLTO-WININGER: I will object, again, that
21 it's been asked and answered; calls for speculation; lacks
22 foundation. But go ahead and answer it.

23 THE WITNESS: No, I don't have -- I don't know
24 that.

25 MR. ETTINGER: Q. Has your group ever -- I
0094
1 asked you, at one point, whether you considered early on
2 doing a survey of the CLC's, sending them a form letter, I
3 believe, didn't I?

4 A. Yes.

5 Q. Do you remember that? And you said you decided
6 not to do that at that time?

7 MR. KOLTO-WININGER: I don't think that's the
8 testimony.

9 THE WITNESS: I did not say that.

10 MR. ETTINGER: Q. Did I misunderstand? I
11 thought you said you worked through the account teams?

12 A. I worked through the CLC market managers.

13 Q. The CLC market managers, and who are they?

14 A. They are in our group. I guess, for the smaller
15 CLC's, they would be their primary contact with Pacific
16 Bell for the resale, wholesale unbundled network element
17 stuff.

18 Q. So they are the person that the CLC contacts?

19 A. Yes.

20 Q. And in the case of AT&T, it's Janette Corby,
21 isn't it?

22 A. That would be the account team.

23 Q. It's different?

24 A. There is actually a market manager for AT&T for
25 the CLC market manager.
0095

1 Q. Who is that?

2 A. I think it's Cheryl Witter Sullivan.

3 Q. I am trying to understand the difference between
4 the market manager and the account team. The account team
5 is more like the salesperson and the market manager is the
6 person you go to if you have an operational problem?

7 A. Right, but they also deal with -- they deal with
8 a wide variety of issues. Getting maybe, like codes set
9 up or different operational issues, and it was my
10 understanding that all of the forecasts, when they did
11 come in, they would be coming through the market managers
12 for that company.

13 Q. And you asked the market managers for the CLC
14 forecasts?

15 A. Yes.

16 Q. And none were forthcoming except for those from
17 AT&T?

18 A. Correct.

19 Q. Did you ever consider, as an option, preparing a
20 letter to go out to CLC's asking them for forecasts?

21 MR. KOLTO-WININGER: That was your original
22 question, asked and answered. But go ahead and answer it.

23 THE WITNESS: Personally, no, I never considered
24 that. I worked with people who deal with arbitration --
25 well, this is probably another aside -- that deal with all
0096
1 the CLC's, and it was my understanding that they were
2 impressing upon the CLC's how important forecasts were, so
3 any -- so that type of pressing for the forecasts was
4 already done.

5 MR. ETTINGER: Q. I am going to ask you to look
6 at Exhibit 15. Look at the 1997 numbers. Do you have a
7 knowledge of -- let's take it month by month. Just look
8 at the total, how those forecast numbers compare with
9 actuals, how about -- I am not going to ask you for the
10 numbers, just the relationship. January, is the actual
11 above or below the forecast, if you know?

12 A. That would be below the forecast.

13 Q. Tell me, was it significantly below or just
14 below?

15 A. I can't remember. Precise numbers, I don't
16 really remember, but because I look at a lot of numbers --

17 Q. Let me withdraw the question for a moment and

18 ask your counsel if the actual is proprietary.

19 MR. KOLTO-WININGER: It's proprietary, but we
20 have agreed to disclose it under the terms of the
21 nondisclosure agreement.

22 MR. ETTINGER: Q. So maybe -- so without
23 revealing, do you know approximately what percent of the
24 forecast the actual was?

25 A. Well, for March, I would know that.
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1 Q. What is it for March?

2 A. Actuals are coming in about -- they came in
3 about --

4 MR. KOLTO-WININGER: Don't say the number.

5 THE WITNESS: No, like 15 percent lower than the
6 forecasts.

7 MR. ETTINGER: Q. So they came in at 85 percent
8 of forecast?

9 A. Around, approximately.

10 Q. Do you use that information in your next
11 revision?

12 A. Yes.

13 Q. I think you said already there was a Revision F
14 that was done in March?

15 A. February, March.

16 Q. And is there a revision G?

17 A. No.

18 Q. That would be the next one that you work on?

19 A. Yes.

20 MR. ETTINGER: Okay. I have no further

21 questions. Thank you.

22

23 FURTHER EXAMINATION BY MR. McDONALD

24 MR. McDONALD: Q. I have a couple. I just want

25 to follow up on some of the questions Mr. Ettinger just
0098

1 asked you.

2 Have you done comparisons between the actual

3 in-service lines and the forecasts for the period of time

4 during which your team has issued forecasts?

5 A. Yes.

6 Q. And I think you told us, for the period through

7 March of -- for the period of March of 1997 or through

8 March of 1997, three months, January, February, March,

9 that the actual in-service lines have been less than what

10 you forecast?

11 A. Yes.

12 Q. For the March --

13 A. The 15 percent number looks at the end of March.

14 Q. So it's a cumulative?

15 A. Right.

16 Q. Those three months?

17 A. Yes.

18 Q. So that I am clear, your understanding is that

19 Pacific's data shows that the number of lines, resale

20 lines, in-service is approximately 85 for the three

21 months, January, February, March of 1997, is approximately

22 85 percent of what is set forth in your forecast on

23 Exhibit 15?

24 A. Yes.

25 Q. Now, for the prior time periods, say, the last
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1 quarter of October, November, December of 1996, was any
2 similar analysis done?

3 A. Yes, I looked at the numbers for the last
4 quarter.

5 Q. And did you do an analysis of how the actual
6 in-service lines in the last quarter compared to the
7 forecasted in-service lines for those three months?

8 A. Yes.

9 Q. Do you remember what percentage -- well, was the
10 forecast greater or less than the actual?

11 A. Forecast was greater.

12 Q. Do you know what percentage of the forecast the
13 actual in-service lines were?

14 A. Around a half, 50 percent.

15 Q. So if I understand your testimony, for at least
16 the three months, October, November, December of 1996, the
17 actual lines, resale lines, that were migrated during
18 those three months by Pacific were approximately one-half
19 of what the team had forecasted for those three months?

20 A. Correct.

21 Q. I want to be clear. These are the only
22 forecasts, to your knowledge, that were done as to
23 projected resale business?

24 A. Yes.

25 Q. So there were no forecasts about number of

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1 orders to be received, but rather the forecasts were as to
2 the actual in-service lines?

3 A. Yes.

4 Q. In the time period between Revision E and
5 Revision F, the February, March revision that we don't
6 have here, did the team continue to meet on a monthly
7 basis?

8 A. No. That team is sort of disbanded.

9 Q. So were there any meetings between February and
10 March?

11 A. I believe we had one.

12 Q. Do you remember when that was?

13 A. No, I don't, not specifically.

14 Q. Was it early '97 or late '96, do you think?

15 A. Early '97, sometime maybe in January.

16 Q. Was there any effort to determine what the order
17 volume was at the LISC, after the November 6th Revision E,
18 which is Exhibit 15, was issued?

19 A. No, again, I don't look at order volumes.

20 Q. How about the comparison between actuals and
21 projected, as to in-service lines, was that analysis
22 undertaken at the early 1997 meeting?

23 A. Yes.

24 Q. Was that work that you had done, or someone else
25 on the team?

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1 A. Myself, yeah.

2 Q. Have you, at any other time, examined the

3 differential between the forecast and the actuals?

4 A. Yes.

5 Q. When else have you done that?

6 A. There is a report we get on a daily basis, so at
7 least once a week, I look at lines that are going to be
8 billed.

9 Q. How long have you been getting that report on a
10 daily basis?

11 A. The last month, one to month --

12 Q. That report simply shows the lines that were
13 migrated as of that date or on that date? What does it
14 show?

15 A. It would be, yeah, as of that date, lines that
16 are migrated and are ready to be billed, so they are not
17 actually billed but will be billed.

18 Q. And then, does it also contain information about
19 the forecast, or is that something that you compare it to?

20 A. No. That's what I compare it to.

21 MR. McDONALD: I don't think I have anything
22 else.

23 MR. KOLTO-WININGER: Thank you.

24 MR. McDONALD: Thanks very much.

25 (Whereupon, the proceedings were adjourned at 1:10 p.m.)
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1 CERTIFICATE OF WITNESS

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5 I, the undersigned, declare under penalty of

6 perjury that I have read the foregoing transcript, and I
7 have made any corrections, additions, or deletions that I
8 was desirous of making; that the foregoing is a true and
9 correct transcript of my testimony contained therein.

10

11 EXECUTED this day of ,

12 19 , at ,

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15 -----

16 LAURA SCHWARTZ

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1)

2 STATE OF CALIFORNIA) ss.

3)

4 I, SANDRA L. CARRANZA, the undersigned, a Certified

5 Shorthand Reporter of the State of California, hereby

6 certify that the witness in the foregoing deposition was

7 by me duly sworn to testify to the truth, the whole truth,

8 and nothing but the truth in the within-entitled cause;
9 that said deposition was taken at the time and place
10 therein stated; that the testimony of said witness was
11 reported by me, a Certified Shorthand Reporter, and a
12 disinterested person, and was thereafter transcribed under
13 my direction into typewriting; that the foregoing is a
14 full, complete, and true record of said testimony.

15 I further certify that I am not of counsel or
16 attorney for either or any of the parties in the foregoing
17 deposition and caption named, or in any way interested in
18 the outcome of the cause named in said caption.

19 IN WITNESS WHEREOF, I have hereunto set my hand this
20 day of , 1997.

21 -----
22 SANDRA L. CARRANZA
23 Certified Shorthand Reporter
24 Registered Professional Reporter

25
0104

1 CHAMBERLIN & ASSOCIATES
2 Certified Shorthand Reporters
3 Two Embarcadero Center, Suite 1710
4 San Francisco, California 94111

5 4/9/97

6 TO: LAURA SCHWARTZ
7 PILLSBURY, MADISON & SUTRO
8 c/o ED KOLTO-WININGER, ATTORNEY AT LAW
9 235 Montgomery Street
10 San Francisco, California 94104

11 RE: MCI TELECOMMUNICATIONS CORPORATION vs. PACIFIC
12 BELL AND PACIFIC BELL COMMUNICATIONS
13 Date of Deposition: April 1, 1997
14 Reported By: SANDRA L. CARRANZA, CSR 7062

15 10 LAURA SCHWARTZ:

11 The original transcript of your deposition taken in
the above-entitled action has been prepared and is
12 available at this office for your reading, correcting, and
signing.

13
You may wish to discuss this matter with your
14 attorney to determine if counsel requires that the
original transcript of your deposition be read, corrected,
15 and signed by you before it is sealed.

16 Your rights regarding signature of this deposition
are contained in the California Code of Civil Procedure.
17

Unless otherwise directed, your original deposition
18 transcript will be sealed after 35 days from today's date.

19 If you wish to make arrangements to review the
original transcript of your deposition, please contact
20 this office during office hours, 9:00 to 5:00 Monday
through Friday, to make an appointment to review the
21 original transcript.

22 Sincerely,

23 SANDRA L. CARRANZA
Certified Shorthand Reporter
24 Registered Professional Reporter

25 cc: All Counsel

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**Source Material
Tab 59**

Second Order on Recon

**Second Order on Reconsideration of
the Federal Communication Commission,
CC Docket No. 96-98 (Dec. 13, 1996)**

**This item is omitted from this collection of source materials
because it is generally available or has been filed previously
with or promulgated by the Commission.**

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1 BEFORE THE PUBLIC UTILITIES COMMISSION

2 IN AND FOR THE STATE OF CALIFORNIA

3 -- o0o --

4 MCI TELECOMMUNICATIONS CORPORATION,
Complainant,

5 vs. NO. 96-12-026

6 PACIFIC BELL AND PACIFIC BELL COMMUNICATIONS,
Defendants.

7

8 AT&T COMMUNICATIONS OF CALIFORNIA, INC.
Complainant,

9 vs. NO. 96-12-044

10 PACIFIC BELL,
Defendant.

11 _____//

12

13 DEPOSITION OF JEROLD R. SINN

14 March 17, 1997

15 Volume I, Pages 1 through 115, inclusive

16

17 REPORTED BY:

SANDRA L. CARRANZA, CSR NO. 7062, RPR

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2 DEPOSITION OF JEROLD R. SINN

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7 NO EXHIBITS MARKED

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1 APPEARANCES

2

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15 AT&T

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18

19 --- o0o ---

20 TAKEN AT:

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23

24 --- o0o ---

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0004

1 BE IT REMEMBERED THAT, pursuant to

2 Notice of Taking Deposition and on Monday, March 17, 1997,

3 commencing at the hour of 1:00 p.m., before me, SANDRA L.

4 CARRANZA, CSR NO. 7062, RPR, there personally appeared

5

6 JEROLD R. SINN,

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8 called as a witness by the Complainants, who, having been
9 first duly sworn, was examined and testified as
10 hereinafter set forth.

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1 JEROLD R. SINN

2 having been duly sworn, testified as follows:

3

4 EXAMINATION BY MR. ETTINGER

5 MR. ETTINGER: Q. Good afternoon, Mr. Sinn. I

6 am William Ettinger. I represent AT&T.

7 Would you state your name and spell it for the

8 record, and business address.

9 A. My name is Jerold, J-e-r-o-l-d, my middle
10 initial is R, last name Sinn, S-i-n-n. My business
11 address is 370 Third Street, Room 714, San Francisco,
12 California, ZIP is 94107, I believe.

13 Q. Why don't I let the other lawyers at the table
14 introduce themselves.

15 MR. CHANG: Julian Chang and I am with AT&T.

16 MS. LEE: I am Evelyn Lee from MCI.

17 MR. McDONALD: Tom McDonald, representing MCI.

18 MR. KOLTO-WININGER: Ed Kolto, representing
19 Pacific Bell.

20 MR. HARRIS: Glenn Harris, representing Brooks
21 Fiber.

22 MR. ETTINGER: Q. What is your present job
23 capacity with Pacific Bell?

24 A. Customer service vice president in the industry
25 markets group in Pacific Bell.

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1 Q. How long have you held that position?

2 A. Since December of 1994.

3 Q. I wonder if you could briefly give us your
4 background employment history with Pacific.

5 A. Okay. I have been with Pacific Bell for 36
6 years. I have held a number of different assignments in
7 customer service, general switching operations, financial
8 management, strategic planning at both the operating level
9 and the senior management level.

10 Q. And your educational training, is that a

11 technical, financial, engineering, general, liberal arts?

12 A. It's in the financial area, business, Bachelor

13 of Science in the investment finance.

14 Q. Have you held finance positions with Pacific

15 Bell?

16 A. Not recently, but yes, I have.

17 Q. And customer service, how long have you -- is

18 that like sales or --

19 A. I don't know if I understand your question, like

20 sales.

21 Q. I will rephrase the question. Customer service,

22 you mentioned that these are your current

23 responsibilities. How would you describe them?

24 A. Basically, my current responsibilities are for

25 the servicing of a majority of the customers in what we
0007

1 call the inventory segment of our business, and --

2 Q. And who would be the customers in the industry

3 segment of the business?

4 A. The interexchange carriers, it includes CAPS, it

5 includes COP defenders.

6 Q. CAPS is C-A-P-S?

7 A. Right.

8 Q. An acronym?

9 A. Competitive Access Providers.

10 Q. And COPS?

11 A. Coin Operated Pay Telephone Companies, COPS --

12 Q. Sorry, I interrupted you.